



DAVID SANDERS, Ph.D.
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
425 Shatto Place -- Los Angeles, California 90020
(213) 351-5602

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From: 
David Sanders, Ph.D.
Director

**UPDATE REGARDING STATUS OF DEPARTMENT'S TITLE IV-E WAIVER
DEMONSTRATION PROJECT PROPOSAL AND CALIFORNIA APPLICATION**

This is to provide your Board an update regarding the status of the Department's Title IV-E Waiver Demonstration Project Proposal and the application for the waiver submitted by the California Department of Social Services to test a flexible funding strategy to use Title IV-E funds to focus on prevention and intervention strategies to keep children in their homes.

On March 31, 2006, California accepted the U.S. Department of Health and Human Services' (US DHHS) offer for the waiver after a week of intensive negotiations. This waiver will provide Los Angeles County the opportunity to make critical changes in the way we provide child welfare services to children and families in our County. It will be an excellent opportunity to test the advantages of a capped allocation strategy with increased flexibility in the use of Title IV-E funds.

Over the past 3 years our Department has made excellent improvement in our outcomes for children and families in response to the 2002 U.S. Child and Family Review. However, we have been hampered by the restrictive nature in which we can claim for certain services, particularly those services related to prevention and after care. The waiver will allow us to accelerate our efforts in improving our outcomes and allow us to continue to transform the system in Los Angeles. We will be able to utilize

the IV-E funds more flexibly to fund more preventive services, allow social workers to spend more time working with children and families and achieve permanency for more children.

Project Goals:

Under the waiver demonstration, the State will receive capped allocations of title IV-E funds that will be disbursed to selected counties to create a more responsive and directed array of services and supports for children and their families, regardless of their IV-E eligibility or placement status. The specific goals of the State's waiver demonstration are to:

- Improve the array of child welfare services available to children and families in the State;
- Engage families through more individualized approaches to child welfare case management that emphasize family decision-making power in all aspects of case planning and service delivery;
- Increase child safety without an over-reliance on out-of-home care;
- Increase the number and timeliness of exits to permanency; and
- Improve child and family well-being.

Funding

I believe that the terms of the waiver are beneficial for the County. The base rate for the funding level will be based on our last three years claims for both the Administration and Assistance Payment's federal claim. We estimate that Los Angeles County's flexible funding pool will be \$369,669,000 in the first year of the waiver. The US DHHS has agreed that the base rate will be allowed to grow at 2% annually during the term of the project. By the fifth year of the waiver (FFY 2010) we estimate that the flexible funding pool will grow to slightly over \$400,000,000.

Training, licensing and SACWIS (in California – CWS/CMS) activities will not be included in the flexible funding pool and we will be able to claim those expenses as we currently do. Adoption assistance is also not included in the flexible funding waiver, except as a measure to ensure overall cost neutrality to the title IV-E funding stream. Adoption assistance will remain an entitlement program during the waiver project, unless the waiver-lifetime cap is exceeded, after which title IV-E would not be available. The threshold will be based on FFY 2005, or the most recent 4 quarters prior to implementation whichever is higher, with an average of 15% growth rate per year, over the 5 year project.

New Service Strategies:

These new funds will be used to expand the array of services, which may include:

- Early Intervention Services, including:
 - Improved screening of incoming Child Protection Hotline calls to ensure that all families, regardless of the presence of a child abuse or neglect allegation, receive appropriate referrals to community-based child and family services;
 - Improved child welfare intake system that diverts families, as appropriate, to services and programs best provided by community-based social service agencies rather than through Child Protective Services (CPS); and
 - Team Decision Making (TDM) and Family Group Conferencing (FGC).
- Crisis Intervention Services, including:
 - Improved CPS emergency response system to expedite emergency response investigations and ensure they are conducted in a manner that is sensitive to the needs and circumstances of families and children in crisis;
 - Improved safety and risk assessment procedures and protocols to enhance the accuracy and consistency of maltreatment investigations by CPS staff; and
 - Increased use of voluntary child welfare services that maintain children safely in their own homes, engage families in the development of safety plans, and improve access to crisis mitigation services (e.g., emergency financial assistance and crisis child care).
- Intensive Child Welfare Services, including:
 - Improved monitoring of contracted child and family service providers to improve achievement of child welfare outcomes;
 - Expanded use of therapeutic foster family homes as an alternative to group homes and institutional placements; and
 - Comprehensive physical, mental health, and dental screenings and consultations.

In addition to the service components described above, participating counties will have the option to spend flexible funds on other services, programs, and supports that demonstrate sufficient evidence of their ability to address client needs and to positively affect the project's goals.

Evaluation

The evaluation will consist of three components: a process evaluation, an outcome evaluation, and a cost analysis. The State will contract with a third party to conduct an evaluation of the waiver project.

The State will implement an interrupted time series design for the evaluation of the waiver demonstration that analyzes historical changes in child welfare outcomes. Using this method, observations of child welfare outcomes will be made prior to the onset of the waiver to establish a pattern of outcomes within each participating county. Observations will be made again after the onset and during the implementation of the waiver in participating counties to establish a second pattern of outcomes. Outcome patterns following implementation of the waiver will then be compared to outcome patterns prior to waiver implementation.

Next Steps

The State must submit an Initial Design and Implementation Report within 4 months. This report will include information about program design and implementation. Report sections regarding implementation and will include:

- A Final Work Plan, outlining the key tasks, reporting requirements, and timelines throughout the course of the demonstration;
- A phase-down plan for the demonstration so that case plans for children and their families can be adjusted, if necessary, for the post-waiver portion of their placement;
- The detailed protocol or set of policies that will guide decisions about which families or children are to be selected to participate, how the selection will be made, and how the suitability of services will be determined;
- Standards of quality and safety and practice requirements identified by the State to be incorporated into any agreements with public and private providers that are expected to provide support and services; and
- The status of evaluation activities, including efforts to engage a third-party evaluator.

I anticipate that we will be working closely with the State in the negotiation of the terms between the State and County and development of the Initial Design and Implementation Report and that there will be extensive planning activities over the next twelve months. If the County chooses to participate in the waiver, I expect implementation of the new service strategies to begin between October 2006 and January 2007.

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I will provide your Board further updates regarding our participation in negotiations with the California Department of Social Services regarding the waiver and our progress in developing terms and conditions for participation in the waiver demonstration project.

Please feel free to contact me if you have any questions, or your staff may contact Helen Berberian, Board Relations Manager at (213) 351-5530.

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